



**TAX-EXEMPT BRIDGE FINANCING PROGRAM**

<b>Program Description</b>	<p>The <b>Tax-Exempt Bridge Financing Program</b> offers tax-exempt bridge loans for projects receiving 4% tax credits at an amount necessary to ensure the award of tax credits.</p> <p>If the combined amount of the permanent and bridge loans exceed 85% loan-to-value (<b>LTV</b>), additional collateral may be required.</p>
<b>Qualifications</b>	<ul style="list-style-type: none"><li>• Available to for-profit, non-profit and public agency sponsors</li><li>• New Construction or Acquisition/Rehabilitation developments utilizing 4% tax credits and CalHFA permanent financing</li></ul>
<b>Loan Amount</b>	<ul style="list-style-type: none"><li>• The loan amount will be the amount necessary to meet the tax credit allocation committee's tax-exempt funding requirements. Loans are typically committed for up to 55% of eligible basis; bridge loans in excess of 55% of eligible basis are approved on an individual basis</li><li>• Up to 90% of investor's equity proceeds – at CalHFA's discretion</li></ul>
<b>Fees</b> (subject to change)	<ul style="list-style-type: none"><li>• <u>Loan Fee:</u> 1.5% of the loan amount: 1% is due prior to the CalHFA Board Meeting, and the remaining .50% is due upon issuance of the loan commitment letter (no loan fees are due if used in conjunction with CalHFA Loan to Lender or Preservation/Acquisition financing programs)</li><li>• <u>Bond Origination Guarantee Fee:</u> 1% is due at time of final commitment approval, and refundable at permanent loan closing (cash or letter of credit)</li></ul>
<b>Rate &amp; Terms</b> (subject to change)	<ul style="list-style-type: none"><li>• Interest Rate: Tax Exempt – 4%; Taxable – call for quote</li><li>• Loan Term: 1 to 3 year term, fully amortized, with annual level payments</li><li>• Lien Priority: Second priority loan behind the CalHFA permanent mortgage</li><li>• Prepayments: Permitted after first year</li></ul>
<b>Due Diligence</b>	<p>All of the listed due-diligence efforts are required and are at the borrower's expense:</p> <ul style="list-style-type: none"><li>• Letter of credit required from the investor if CalHFA mortgage amounts exceed 85% LTV</li><li>• Letter of credit is reduced annually until the 85% test is met</li><li>• Investor is subject to credit review</li><li>• Pay-in schedule to be sufficient to cover payments of principal and interest required for the bridge loan</li><li>• Additional collateral may be required at the discretion of CalHFA</li><li>• CalHFA requires the legal authority from the investor to be able to replace the General Partner, if deemed necessary</li></ul>

<b>Questions</b>	<p>Questions regarding the Tax-Exempt Bridge Financing Program can be directed to CalHFA's Multifamily Finance Division:</p> <ul style="list-style-type: none"> <li>• Laura Whittall-Scherfee, Chief, Multifamily Programs</li> <li>• 1121 L Street, Suite 207, Sacramento, CA 95814</li> <li>• Phone: 800.736.2432 or directly at 916.327.2588</li> <li>• Email address: lwhittall-scherfee@calhfa.ca.gov</li> </ul>
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**IMPORTANT DISCLOSURE INFORMATION:**

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. This program description is subject to change from time to time without prior notice. CalHFA does not discriminate on the basis of disability in employment or in the admission and access to its programs or activities.

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